

SAUGATUCK PUBLIC SCHOOLS
FINANCIAL REPORT
WITH SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2007

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INDEPENDENT AUDITOR'S REPORT

Holland, Michigan
September 20, 2007

Board of Education
Saugatuck Public Schools
Douglas, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Saugatuck Public Schools as of and for the year ended June 30, 2007, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards and the standards generally accepted in the United States of America applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Saugatuck Public Schools as of June 30, 2007 and the respective changes in financial position, thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report under separate cover dated September 20, 2007 on our consideration of the Saugatuck Public Schools' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 4 through 11 and 34 are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Saugatuck Public Schools' basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

DELONG & BROWER, P.C.

Certified Public Accountants

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Elizabeth Broderick.....	Director of Business and Human Resource Services
Timothy Travis.....	High School/Middle School Principal
Jason Surian	Elementary Principal

District Mission

Prepare students for life

Shared Vision

Support every child

Saugatuck Public Schools

Management's Discussion and Analysis

This section of the Saugatuck Public Schools' annual financial report presents our discussion and analysis of the School District's financial performance during the year ended June 30, 2007. This section should be read in conjunction with the School District's financial statements, which immediately follow this section.

Using this Annual Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Saugatuck Public Schools financially as a whole. The *District-Wide Financial Statements* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. The *Fund Financial Statements* provide the next level of detail. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements look at the School District's operations in more detail than the district-wide financial statements by providing information about the School District's most significant funds – the General Fund and the Debt Service Fund – with all other funds presented in one column as non-major funds. The remaining statement, the statement of fiduciary net assets, presents financial information about activities for which the School District acts solely as an agent for the benefit of students and parents. The financial statements are presented as follows:

1) Management's Discussion & Analysis (MD&A)

2) Basic Financial Statements

District-Wide Financial Statements
and Fund Financial Statements

3) Notes to Financial Statements

4) Required Supplemental Information including Major Fund Budgetary
Information

5) Other Supplemental Information

Reporting the School District as a Whole – District-Wide Financial Statements

One of the most important questions asked about the School District is, "As a whole, what is the School District's financial condition as a result of the year's activities?" The statement of net assets and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Saugatuck Public Schools

Management's Discussion and Analysis (continued)

These two statements report the School District's net assets – the difference between assets and liabilities, as reported in the statement of net assets – as one way to measure the School District's financial health or financial position. Over time, increases or decreases in the School District's net assets - as reported in the statement of activities – are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School District's operating results. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School District.

The statement of net assets and the statement of activities report the governmental activities for the School District, which encompass all of the School District's services, including instruction, supporting services, community services, athletics, and food services. Property taxes, unrestricted state aid (foundation allowance revenue), and state and federal grants finance most of these activities.

Reporting the School District's Most Significant Funds – Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds – not the School District as a whole. Some funds are required to be established by State law and bond covenants. However, the School District establishes many other funds to help it control and manage money for particular purposes (the Food Service and Athletic Funds are examples) or to show that it is meeting legal responsibilities for using certain taxes, grants and other money (like bond-funded construction funds used for voter-approved capital projects). The governmental funds of the School District use the following accounting approach:

Governmental funds – All of the School District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the School District and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs.

The School District as Trustee – Reporting the School District's Fiduciary Responsibilities

The School District is the trustee, or fiduciary, for its student activity funds. All of the School District's fiduciary activities are reported in a separate statement of fiduciary net assets. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Saugatuck Public Schools

Management's Discussion and Analysis (continued)

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net assets as of June 30, 2007 and 2006

TABLE 1

GOVERNMENTAL ACTIVITIES

STATEMENT OF NET ASSETS

	June 30, 2007	June 30, 2006
Assets		
Current and other assets	\$ 3,898,532	\$ 4,353,478
Capital assets and construction in process	<u>13,611,733</u>	<u>12,902,567</u>
Total assets	17,510,265	17,256,045
Liabilities		
Current liabilities	1,398,421	1,073,605
Long-term liabilities	<u>11,461,532</u>	<u>12,442,910</u>
Total liabilities	12,859,953	13,516,515
Net Assets		
Invested in Capital Assets –Net of related debt	2,724,178	1,860,300
Restricted	510,607	201,604
Unrestricted	<u>1,415,527</u>	<u>1,677,626</u>
Total net assets	4,650,312	3,739,530
Total Liabilities and Net Assets	\$17,510,265	\$ 17,256,045

The above analysis focuses on the net assets (see Table 1). The change in net assets (see Table 2) of the School District's governmental activities is discussed below. The School District's net assets were \$4,650,312 at June 30, 2007 and \$3,739,530 at June 30, 2006. Capital assets-net of related debt, totaled \$2,724,178 and \$1,860,300 at June 30, 2007 and 2006, respectively. This compares the original costs, less depreciation, of the School District's capital assets to long – term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislations that limit the School District's ability to use those net assets for day-to-day operations. The remaining amount of net assets of \$ 1,415,527 and \$1,677,626 at June 30, 2007 and 2006 respectively, was unrestricted.

The unrestricted net assets of \$1,415,527 at June 30, 2007 represents the accumulated results of operations. It is the amount that remains after all liabilities at June 30, 2007 have been satisfied. The unrestricted net assets balance enables the School District to meet working capital and cash flow requirements as well as to provide for future uncertainties. The operating results of the General Fund will have a significant impact on the change in net assets from year to year.

The results of this year's operations for the School District as a whole are reported in the statement of activities (Table 2), which shows the changes in net assets for fiscal year 2007 and 2006. The School District has prepared financial statements following GASB Statement No. 34, which requires a revenue and expense comparison to the previous fiscal year.

Saugatuck Public Schools
Management's Discussion and Analysis (continued)

TABLE 2

GOVERNMENTAL ACTIVITIES

STATEMENT OF ACTIVITIES

Revenue	<u>June 30, 2007</u>	<u>June 30, 2006</u>	<u>Net Change</u>
Program Revenue			
Charges for Services	\$319,637	\$ 309,580	\$10,057
Operating Grants	1,273,119	1,136,728	136,391
General Revenue			
Property Taxes	6,150,732	5,536,624	614,108
State Aid	2,665,611	2,878,820	(213,209)
Other	150,203	109,629	40,574
Total Revenue	\$10,559,302	\$ 9,971,381	\$587,921
Functions/Program Expense			
Instruction	\$4,880,035	\$4,800,918	\$79,117
Support Services	3,086,368	3,166,581	(80,213)
Food Services	314,949	299,356	15,593
Building & Site	23,049	12,370	10,679
Athletics	271,112	255,554	15,558
Community Recreation	142,197	150,716	(8,519)
Interest on Long-Term Debt	494,494	416,107	78,387
Loss on Asset Disposal	58,995	0	58,995
Amortization	6,123	4,919	1,204
Depreciation (Unallocated)	371,198	335,893	35,305
Total Expense	\$9,648,520	\$ 9,442,414	\$206,106
Change in Net Assets	910,782	528,967	381,815
Net Assets – Beginning of Year	3,739,530	3,210,563	528,967
Net Assets – End of Year	\$4,650,312	\$3,739,530	\$910,782

As reported in the statement of activities, the cost of all of our *governmental* activities this year was \$9,648,520. Certain activities were partially funded from those who benefited from the programs (\$319,637) or by other governments and organizations that subsidized certain programs with grants and contributions (\$1,273,119). We paid for the remaining “public benefit” portion of our governmental activities with taxes (\$6,150,732), in state foundation allowance (\$2,665,611), and with our other revenues such as interest and general entitlements.

The School District experienced an increase in net assets of \$910,782 primarily as a result of cost containment initiatives in operations and programming, increased reserves in the debt service funds, and increases in revenues from other subsidized programs.

As discussed above, the statement of activities shows the financial burden that was placed on the State and the School District’s taxpayers by each of these functions. Since property taxes for operations and unrestricted state aid constitute the vast majority of district operating revenue sources, the Board of Education and Administration must annually evaluate the needs of the School District and balance those needs with state-prescribed available unrestricted resources.

Saugatuck Public Schools

Management's Discussion and Analysis (continued)

The School District's Funds

As we noted earlier, the School District uses fund accounting to help it control and manage money for particular purposes. Looking at fund accounts helps the reader consider whether the School District is being accountable for the resources taxpayers and others provide to it and may provide more insight into the School District's overall financial health.

As the School District completed this year, the governmental funds reported a combined fund balance of \$2,382,643 which is a decrease of \$577,927 from last year. The changes in major and non-major funds are as follows:

TABLE 3

	General Fund	Debt Funds	Other Non-Major Funds	Governmental Funds 2007 Total	Fiduciary Funds
Fund Balance – 7/1/2006	\$1,354,936	\$201,604	\$1,404,030	\$2,960,570	\$134,603
Increase (Decrease)	188,523	309,003	(1,075,453)	(577,927)	(11,334)
Fund Balance – 6/30/2007	\$1,543,459	\$510,607	\$328,577	\$2,382,643	\$123,269

In the General Fund, our principal operating fund, we ended with a positive variance to its operating budgeted expenditures of 0.8%, which resulted in an increase to the fund balance by \$188,523. Stable enrollments and a state foundation allowance increase of \$210 per student contributed to the gain as well as management driven cost control measures. The fund balance of the General Fund is available to fund costs related to allowable school operating purposes.

Combined, the Debt Service Funds showed a fund balance of \$510,607. Debt Service funds may accumulate up to one year's annual interest and principal payments in reserve. Debt service expenditures totaled \$1,254,586 during the 2006-07 fiscal year. Millage rates are reviewed annually to ensure that the School District accumulates sufficient resources to pay annual bond issue-related debt service. Debt service reserves are restricted for repayment of the district's long-term debt obligations.

The Other Non-Major Funds are combined for reporting purposes to include capital projects, athletics, food service and community recreation funds. Several construction projects were completed during the fiscal year. Just over one million (\$1,135,687) in capital project funds held in reserve were expended for these projects including expansion of the Douglas Elementary student drop off and parking areas, Douglas Elementary carpeting and flooring, Saugatuck High School gym renovations, completion of the Early Childhood Center, the purchase of land adjacent to the High School student parking lot, and renovation of the High School green house.

Saugatuck Public Schools

Management's Discussion and Analysis (continued)

General Fund Budgetary Highlights

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted just before year-end in June 2007. A schedule showing the School District's original and the final budget amounts compared with amounts actually paid and received, is provided in required supplemental information of these financial statements.

Several changes were made to the originally adopted 2006-2007 General Fund budget. Revenues were increased \$284,897 to account for increases in state aid and state aid catagoricals announced after the original budget was adopted and after actual enrollment numbers were confirmed. Expenditures increased by \$318,348 to account for changes in estimates for salaries and benefits, costs of supplies and purchased services, and other expenses in the operating plan of the School District.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2007, the School District had \$13,611,733, net of depreciation, invested in a broad range of capital assets, including land, buildings, vehicles, furniture and equipment. This amount represents a net increase (including additions, disposals, and depreciation) of \$709,166 from last year.

TABLE 4

Capital Assets	June 30, 2007	June 30,2006
Land	\$473,427	\$156,568
Construction in Progress	0	163,519
Buildings & Other Improvements	15,739,935	14,880,597
Buses and other vehicles	620,585	620,585
Furniture and equipment	<u>952,185</u>	<u>940,190</u>
Sub total	\$17,786,132	\$16,761,459
Less accumulated depreciation	<u>4,174,399</u>	<u>3,858,892</u>
Total net capital assets	\$13,611,733	\$12,902,567

Several major projects were completed for the 2006-2007 fiscal year. An Early Childhood Center was completed totaling \$249,959; \$859,338 in improvements were completed including the elementary parking lot and student drop off area renovated for safety and increased parking; and new flooring was added throughout the elementary building. The High School main gym was renovated to include improved seating, provide equitable locker room facilities for female athletes, and refurbished walls and floor surfaces, and property was purchased that is adjacent to the student parking lot at the High School site. We present more detailed information about our capital assets in the notes to the financial statements on page 25.

Saugatuck Public Schools

Management's Discussion and Analysis (continued)

Debt

At the end of this year, the School District had \$11,435,000 in bonds outstanding versus \$12,190,000 in the previous year – a reduction of 6.2% percent. Those bonds consisted of the following:

General Obligation bonds	June 30, 2007
2006 Building & Site Bonds	\$760,000
2002 Refunding Bonds	1,445,000
1999 General Obligation Bonds	295,000
2005 Refunding Bonds	<u>8,935,000</u>
Total General Obligation Bonds	\$11,435,000

The School District's rating was upgraded in 2006 to an A1 status for its outstanding general obligation unlimited tax debt of \$11.6 million. The rating assignment and upgrade reflects the districts moderately-sized and growing tax base, stable financial position with healthy General Fund reserves and manageable debt burden. The State limits the amount of general obligation debt that schools can issue to fifteen percent of the assessed value of all taxable property within the School District's boundaries. Unqualified general obligation debt would be limited to \$59,535,542 by statute. If the School District issues "Qualified Debt," i.e., debt backed by the State of Michigan, such obligations are not subject to this debt limit. The 2002 Douglas Elementary, 1999 Middle School/High School bonds, the 2005 Refunding Bonds and the 2006 Building and Site Bonds are considered "Qualified Debt" by the State of Michigan, and therefore are not subject to the debt limitation.

We present more detailed information about our long-term liabilities in the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

The weakened economy in Michigan is resulting in lower than anticipated student enrollments, as families are moving out of state to pursue job opportunities. We are forecasting a 2% increase to enrollments, as we continue to be a destination district for parents wanting the small school atmosphere with individualized instruction for their children. The economy is also affecting the State's ability to fund education, as we are still without a state aid package for the 2007-08 school year, and have budgeted a 0% increase in state aid. Health insurance premium rates came in favorable at just under 6% for the negotiated plan, and 2% for support staff due to benefit plan changes. With the adopted Fiscal Year 08 Budget projecting flat revenues, and increases in planned expenditures of 4% we will continue to take a conservative approach to district spending.

Saugatuck Public Schools

Management's Discussion and Analysis (continued)

The State's ability to collect revenues to fund its appropriation to school districts is heavily dependent upon the economy. The State must balance its available revenues to its appropriations. The State periodically holds a revenue-estimating conference to estimate revenues. If a future revenue estimating conference determines funds are not sufficient to fund the appropriation, the legislature must revise the appropriation or proration of state aid will occur. The State revenues were reduced or held flat in 2002 through 2005 fiscal years and in 2005-06 the district received a 2% increase in per pupil revenue. A \$210 per pupil increase was issued in 2006-2007. At year end, the legislature reduced the mandated retirement rate that schools must pay as a percentage of payroll from 17.74% down to 16.72%. This will give us some budgetary relief in the FY 08 school year. Subsequent to year-end, the Governor and Legislature had not reached an agreement for the School Aid Fund or a State budget to take effect October 1, 2007.

The Saugatuck Board of Education mandates holding a minimum of 15% of the general fund expenditures as reserve funds. Preliminary budgets are set based upon maintaining adequate reserves to be able to fund payroll and payables during the months that state aid and property tax revenue are not collected. Reserves are also maintained to provide for one time emergency contingencies for major purchases not anticipated, such as boiler, bus, or other major capital replacement essential to school district operations. Our reserves also provide us with a better credit rating that enables us to borrow long term funds, such as bonded construction projects, at a more competitive rate.

The School District entered into the second year of a three year agreement with the Saugatuck Teachers Association in August of 2007. Wages for teachers, administration and support staff were settled at an increase of 1.75% with year three at 2.00%. Cost of living adjustments were negotiated as part of a wage/benefit clause in August of 2007 for teaching staff that had exceeded the pay scale, and were no longer receiving incremental pay advancements.

The following pages contain the audited financial statements of the School District. If you have questions about this report or need additional information, contact the Director of Business and Human Resource Services, Saugatuck Public Schools, 201 Randolph Street, Douglas, MI 49406.



Timothy H. Wood, Superintendent



Elizabeth F. Broderick, Director of Business and Human Resource Services

SAUGATUCK PUBLIC SCHOOLS
STATEMENT OF NET ASSETS
JUNE 30, 2007

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 2,787,225
Receivables:	
Due from State	428,600
Due from Other Governmental Units	121,896
Inventories	4,542
Prepaid Expenses	5,665
Bond Issuance Costs Net of Amortization	104,104
Deferred Charge Net of Amortization	446,500
Capital Assets less Accumulated Depreciation of \$ 4,174,399	<u>13,611,733</u>
TOTAL ASSETS	<u><u>\$ 17,510,265</u></u>
LIABILITIES	
Accounts Payable	\$ 31,148
Accrued Payroll and Other Expenses	883,818
Deferred Revenue	50,319
Accrued Interest Payable	78,020
Compensated Absences	163,322
Current Portion of Other Liability	86,351
Premium on Bond Issuance Net of Amortization	105,443
Long-term Liabilities:	
Bonds Payable, Due Within One Year	795,000
Bonds Payable, Due in More Than One Year	10,640,000
Other Liabilities	<u>26,532</u>
Total Liabilities	<u>12,859,953</u>
NET ASSETS	
Investment in Capital Assets - Net of Related Debt	2,724,178
Restricted for Debt Service	510,607
Unrestricted	<u>1,415,527</u>
Total Net Assets	<u>4,650,312</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 17,510,265</u></u>

The accompanying notes are an integral part of these statements.

**SAUGATUCK PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2007**

	<u>Program Revenues</u>			<u>Governmental Activities</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants/ Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
FUNCTIONS/PROGRAMS				
Primary Government -				
Governmental Activities:				
Instruction	\$ 4,880,035	\$ 85,764	\$ 1,071,211	\$ (3,723,060)
Support Services	3,086,368	339	25,703	(3,060,326)
Food Service	314,949	162,547	164,050	11,648
Athletics	271,112	30,281	-	(240,831)
Community Recreation	142,197	40,706	12,155	(89,336)
Building and Site	23,049	-	-	(23,049)
Interest on Long-term Debt	494,494	-	-	(494,494)
Loss on Asset Disposal	58,995	-	-	(58,995)
Amortization	6,123	-	-	(6,123)
Depreciation (Unallocated)	371,198	-	-	(371,198)
Total Governmental Activities	<u>\$ 9,648,520</u>	<u>\$ 319,637</u>	<u>\$ 1,273,119</u>	<u>\$ (8,055,764)</u>
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes				4,480,432
Property Taxes, Levied for Debt Services				1,532,024
Property Taxes, Levied for Sinking Fund				28,537
Property Taxes, Levied for Community Rec.				109,739
State Aid Not Restricted to Specific Purposes				2,665,611
Interest and Investment Earnings				144,940
Other				5,263
Total General Revenues				<u>8,966,546</u>
Change in Net Assets				910,782
Net Assets - Beginning of Year				<u>3,739,530</u>
Net Assets - End of Year				<u>\$ 4,650,312</u>

The accompanying notes are an integral part of these statements.

**SAUGATUCK PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
BALANCE SHEETS
JUNE 30, 2007**

	<u>General</u>	2006 <u>Debt Service</u> <u>Fund</u>	2005 <u>Debt Service</u> <u>Fund</u>	Other Non-Major <u>Governmental</u> <u>Funds</u>	<u>Total</u>
ASSETS					
Cash and Investments	\$ 1,952,249	\$ 4,157	\$ 486,094	\$ 344,725	\$ 2,787,225
Due from Other Funds	19,909	-	-	1,075	20,984
Due from State	428,600	-	-	-	428,600
Due from Other Governmental Units	90,003	7,990	21,852	2,051	121,896
Inventories	-	-	-	4,542	4,542
Prepaid Expenditures	5,665	-	-	-	5,665
TOTAL ASSETS	\$ 2,496,426	\$ 12,147	\$ 507,946	\$ 352,393	\$ 3,368,912
LIABILITIES					
Accounts Payable	\$ 27,116	\$ -	\$ 125	\$ 3,907	\$ 31,148
Accrued Payroll and Other Expenses	883,818	-	-	-	883,818
Due to Other Funds	1,075	-	-	19,909	20,984
Deferred Revenue	40,958	2,506	6,855	-	50,319
Total Liabilities	952,967	2,506	6,980	23,816	986,269
FUND BALANCES					
Reserved for Inventories	-	-	-	4,542	4,542
Restricted for Debt Service	-	9,640	500,967	-	510,607
Unreserved Undesignated	1,543,459	-	-	324,035	1,867,494
Total Fund Balances	1,543,459	9,640	500,967	328,577	2,382,643
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,496,426	\$ 12,146	\$ 507,947	\$ 352,393	\$ 3,368,912

The accompanying notes are an integral part of these statements.

SAUGATUCK PUBLIC SCHOOLS
RECONCILIATION OF BALANCE SHEETS OF GOVERNMENTAL FUNDS TO NET ASSETS
JUNE 30, 2007

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$	2,382,643
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Amounts reported for governmental activities in the Statement of
Net Assets are different because:

Capital assets used in governmental activities are not financial
resources and are not reported in the funds:

The cost of capitalized assets is	\$ 17,786,132	
Accumulated depreciation is	<u>(4,174,399)</u>	
		13,611,733

Bond premium is not included as a liability in the funds.	(105,443)
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Bond issuance cost is not a financial resource and is not reported in the funds.	104,104
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Deferred Charge is not a financial resource and it is not reported in the funds.	446,500
--	---------

Long-Term Liabilities and Bonded Debt are not due and payable in the current period and are not reported in the governmental funds:	
Bonds Payable	(11,435,000)
Compensated Absences	(163,322)
Other Liability	(26,532)

Current Portion of Other Liabilities not payable within 60 days of year end that is not reported in the funds.	(86,351)
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Accrued interest payable is not included as a liability in governmental funds	<u>(78,020)</u>
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TOTAL NET ASSETS	\$	<u>4,650,312</u>
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The accompanying notes are an integral part of these statements.

**SAUGATUCK PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2007**

	<u>General</u>	<u>2006 Debt Service Fund</u>	<u>2005 Debt Service Fund</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total</u>
REVENUES					
Local Sources	\$ 4,722,848	\$ 392,179	\$ 1,171,410	\$ 408,063	\$ 6,694,500
State Sources	2,907,114	-	-	19,531	2,926,645
Federal Sources	294,724	-	-	144,519	439,243
Interdistrict and Other Sources	498,914	-	-	-	498,914
Total Revenues	8,423,600	392,179	1,171,410	572,113	10,559,302
EXPENDITURES					
Current					
Instruction	4,869,289	-	-	-	4,869,289
Support Services	2,944,540	-	-	23,049	2,967,589
Food Service	-	-	-	314,949	314,949
Athletics	-	-	-	271,112	271,112
Community Recreation	-	-	-	142,197	142,197
Capital Outlay & Construction in Progress	136,386	-	-	1,136,709	1,273,095
Debt Service					
Principal Retirement	-	340,000	415,000	-	755,000
Interest and Fiscal Charges	-	42,539	457,047	-	499,586
Payments on Other Long-Term Liabilities	44,412	-	-	-	44,412
Total Expenditures	7,994,627	382,539	872,047	1,888,016	11,137,229
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	428,973	9,640	299,363	(1,315,903)	(577,927)
OTHER FINANCING SOURCES (USES)					
Payments to Other Governmental Units	-	-	-	-	-
Operating Transfers	(240,450)	-	-	240,450	-
Transfer from Other Governmental Units	-	-	-	-	-
Borrowings on Long-Term Liabilities	-	-	-	-	-
Proceeds of Bond Issuance	-	-	-	-	-
Total Other Financing Sources (Uses)	(240,450)	-	-	240,450	-
NET CHANGE IN FUND BALANCES	188,523	9,640	299,363	(1,075,453)	(577,927)
FUND BALANCES AT BEGINNING OF YEAR	1,354,936	-	201,604	1,404,030	2,960,570
FUND BALANCES AT END OF YEAR	\$ 1,543,459	\$ 9,640	\$ 500,967	\$ 328,577	\$ 2,382,643

The accompanying notes are an integral part of these statements.

SAUGATUCK PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2007

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (577,927)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures; in the Statement of Activities, these costs are allocated over their estimated useful lives as depreciation.	
Depreciation Expense	\$ (371,198)
Capital Outlay	<u>1,139,359</u>
	768,161
The Statement of Activities reports the amortization of bond premium as it is amortized over the life of the bond; it is in the governmental funds when received.	6,202
The Statement of Activities reports amortization of bond issuance cost as it is amortized over the life of the bond; it is in the governmental funds when paid.	(6,123)
End of year long-term compensated absences is recorded in the Statement of Activities when it is incurred; it is not reported in governmental funds until paid.	(163,322)
Beginning of year long-term compensated absences is recorded in the governmental funds when paid; it is in the Statement of Activities when incurred.	152,576
Repayments of bond principal is an expenditure in the governmental funds but not in the Statement of Activities (where it reduces long-term debt).	755,000
Net book value of assets disposed of recorded as an expenditure in the Statement of Activities; it is not recorded in governmental funds.	(58,995)
End of year accrued interest payable is recorded in the Statement of Activities when incurred; it is not reported in governmental funds until paid.	(78,020)
Beginning of year accrued interest payable is recorded in the governmental funds when paid; it is in the Statement of Activities when incurred.	83,112
The end of year other liability is recorded in the Statement of Activities when incurred; it is recorded in the governmental funds when paid.	(112,883)
The beginning of year other liability is recorded in the governmental funds when paid; it is in the Statement of Activities when incurred.	<u>143,001</u>
CHANGE IN NET ASSETS	910,782
BEGINNING NET ASSETS	3,739,530
ENDING NET ASSETS	<u><u>\$ 4,650,312</u></u>

The accompanying notes are an integral part of these statements.

**SAUGATUCK PUBLIC SCHOOLS
FIDUCIARY FUND
STATEMENT OF FIDUCIARY NET ASSETS
YEAR ENDED JUNE 30, 2007**

Agency Fund -
Student Activities

ASSETS

Cash and Cash Equivalents	\$	123,269
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TOTAL ASSETS	\$	123,269
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LIABILITY AND NET ASSETS

LIABILITY

Due to Clubs and Organizations	\$	123,269
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NET ASSETS		-
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TOTAL LIABILITY AND NET ASSETS	\$	123,269
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The accompanying notes are an integral part of these statements.

SAUGATUCK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Saugatuck Public Schools (the "School") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the School.

Reporting Entity

The Saugatuck Public Schools is the lowest level of government which has oversight responsibility and control over all activities related to public school education in Saugatuck. The School receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the School is not included in any other governmental "reporting entity" as defined in NCGA Statement #3 since School Board members are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

District-Wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All of the district's government-wide activities are considered governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments, and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

District-Wide Statements - The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants, categorical aid and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

SAUGATUCK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

District-Wide Statements (Continued)

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Fund-Based Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and severance pay, are recorded only when payment is due.

Property taxes, unrestricted state aid, intergovernmental grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and therefore have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

The fiduciary fund statement is also reported using the current financial resources measurement focus and the accrual basis of accounting.

The School reports the following major governmental funds:

General Fund – The General Fund is used to account for all School resources and expenditures except for those required to be accounted for in another fund.

Debt Service Funds – These funds are used to account for the accumulation of resources for, and payment of, interest, principal and other expenses on general long-term debt

Additionally, the government reports the following fund types:

Special Revenue Funds – These funds are used to account for the operations of School food services, athletics, community recreation and amounts set aside for future capital expenditures.

Capital Projects Funds – These funds are used to account for bond proceeds or other revenue and acquisition, construction or repair of major capital facilities.

Fiduciary Funds – These funds are used to account for assets held by the School in a trustee capacity or as an agent. While they are under the supervision of the Board and enhance the School's educational programs, these funds belong to the individual schools or their student bodies and are not available for use by the School.

**SAUGATUCK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Assets or Equity

Cash and Investments

Cash and investments include money market funds, certificates of deposit, treasury notes, commercial paper, municipal investment funds as well as deposits in checking and savings accounts. Investments are stated at fair value.

Receivables and Payables

In general, outstanding balances between funds are reported as "due to/from other funds."

Property tax and other trade receivables are shown net of an allowance for uncollectible amounts. For Saugatuck Public Schools' taxpayers in the City of Saugatuck, Saugatuck Township and Laketown Township, properties are assessed as of December 31 but payable in two installments. One half of the assessed property taxes are levied July 1 and become due on September 14. The other half of the assessed property taxes are levied on December 1 and become due on February 14. Amounts uncollected by February 14th are added to the Allegan County delinquent tax rolls. These governmental units represented 100 percent of the District's taxable valuation for the 2006 levy. Historically, in May of each year, Allegan County has annually remitted all delinquent real property taxes to the school from its Tax Payment Fund.

The State of Michigan utilizes a foundation allowance approach, which provides for a specific annual amount of revenue per student based on a state-wide formula. The foundation allowance is funded from a combination of State and local sources. Revenues from State sources are primarily governed by the School Aid Act and the School Code of Michigan. The State portion of the foundation is provided from the State's School Aid Fund and is recognized as revenue in accordance with state law and accounting principles generally accepted in the United States of America.

The District also receives revenue from the State to administer certain categorical education programs. State rules require that revenue earmarked for these programs be used for its specific purpose. Certain categorical funds require an accounting to the State of the expenditures incurred. For categorical funds meeting this requirement, funds received which are not expended by the close of the fiscal year are recorded as deferred revenue. Other categorical funding is recognized when the appropriation is received.

Inventories and Prepaid Items

Inventories are stated at cost, using the first-in, first-out method and are considered expenditures when used. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

**SAUGATUCK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include land, buildings, equipment, and vehicles are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset life are not capitalized. The School does not have infrastructure type assets.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	25-50 years
Buses and other vehicles	8 years
Furniture and other equipment	5-20 years

Accumulated Sick Leave and Vacation Liability (Compensated Absences)

Vested or accumulated vacation and sick time that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a liability of the governmental fund that will pay it. Teachers may accrue 190 sick days. Administrative personnel may accrue up to 180 sick days. Teachers do not receive paid vacations. Administrative personnel may carry over up to 30 vacation days that must be utilized within the first month of the new year.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, as revenue or expense during the current period.

Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

SAUGATUCK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Comparative Data/Reclassifications

Comparative data is not included in the School's financial statements.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and State law for the general and special revenue funds. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the district to have its budget in place by July 1. Expenditures in excess of amounts budgeted is a violation of Michigan Law. State law permits districts to amend its budgets during the year. There were some significant amendments during the year.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end. The commitments will be re-appropriated and honored during the subsequent year.

Excess of Expenditures Over Appropriations in Budgeted Funds

The School had expenditures in excess of budget as follows:

<u>Fund</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over- Expenditure</u>
General Fund:			
Support Services for Pupils	\$ 485,146	\$ 488,300	\$ 3,154
Operating Transfers	238,151	240,450	2,299
Capital Outlay	120,811	136,386	15,575

The Uniform Budgeting and Accounting Act (MCL141.4221) no longer requires districts to adopt a budget for Debt Retirement Funds.

Fund Deficits

The School district had no accumulated fund balance deficits at June 30, 2007.

SAUGATUCK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 3: DEPOSITS AND INVESTMENTS

At year-end, the School's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	<u>Total Primary Government</u>
Cash and Cash Equivalents	\$ 2,787,225	\$ 123,269	\$ 2,910,494
Investments	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,787,225</u>	<u>\$ 123,269</u>	<u>\$ 2,910,494</u>

The breakdown between deposits and investments for the School is as follows:

Investments	\$ -
Deposits (checking and savings accounts)	2,909,902
Petty cash and cash on hand	<u>592</u>
Total	<u>\$ 2,910,494</u>

The deposits of the School were reflected in the accounts of the Financial Institutions in the amount of \$ 3,010,559, of which \$ 200,000 is covered by federal depository insurance.

State statutes and the School's investment policy authorize the School to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan; the School is allowed to invest in U.S. Treasury or Agency obligations, U.S. Government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchases which mature not more than 270 days after the date of purchases, and mutual funds and investment pools that are composed of authorized investment vehicles. The School's deposits are in accordance with statutory authority.

Cash and investments are categorized into these three categories of credit risk:

Category 1 - Insured or registered, or securities held by the School or its agent in the School's name;

Category 2 - Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the School's name; and

Category 3 - Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the School's name.

Based on the three levels of risk, \$ 3,010,559 was classified as Category 1.

SAUGATUCK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 3: DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk

The School has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The district has an investment policy that would further limit its investment choices. As of June 30, 2007, the School has assets in two liquid accounts that hold short-term government securities that are considered to be "cash," as opposed to investments, according to generally accepted accounting principles. As no present holdings are considered to be true "investments" according to generally accepted accounting principles, the School can not have any investment credit risk.

Concentration of Credit Risk

The School places limits on the amount that may be invested with any one issuer. As the School does not have any investments there is no concentration of credit risk.

NOTE 4: CAPITAL ASSETS

Capital Asset activity of the School's governmental activities was as follows:

	Balance July 1, 2006	Additions	Disposals and Adjustments	Balance June 30, 2007
Assets not being depreciated				
Land	\$ 156,568	\$ 316,859	\$ -	\$ 473,427
Construction in Progress	163,519	-	(163,519)	-
Subtotal	<u>320,087</u>	<u>316,859</u>	<u>(163,519)</u>	<u>473,427</u>
Capital assets being depreciated:				
Building and improvements	14,880,597	974,024	(114,686)	15,739,935
Buses and other vehicles	620,585	-	-	620,585
Furniture and equipment	940,190	11,995	-	952,185
Subtotal	<u>16,441,372</u>	<u>986,019</u>	<u>(114,686)</u>	<u>17,312,705</u>
Accumulated depreciation:				
Building and improvements	2,731,307	296,686	(55,691)	2,972,302
Buses and other vehicles	454,452	37,992	-	492,444
Furniture and equipment	673,133	36,520	-	709,653
Subtotal	<u>3,858,892</u>	<u>371,198</u>	<u>(55,691)</u>	<u>4,174,399</u>
Subtotal	<u>12,582,480</u>	<u>614,821</u>	<u>(58,995)</u>	<u>13,138,306</u>
Net capital assets	<u>\$ 12,902,567</u>	<u>\$ 931,680</u>	<u>\$ (222,514)</u>	<u>\$ 13,611,733</u>

Depreciation expense was not charged to activities as the district considers its assets to impact multiple activities and allocation is not practical.

SAUGATUCK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 5: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of inter-fund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Due To/From Other Funds:		
General Fund	Athletic Fund	\$ 19,519
General Fund	Community Recreation	390
Food Service	General Fund	1,076
Interfund Transfers:		
<u>Transfer In:</u>	<u>Transfer Out:</u>	
Athletic Fund	General Fund	\$ 240,450

Interfund activity primarily consists of the payment of expenses or receipt of revenue within one fund for the benefit of another.

NOTE 6: DEFERRED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Overpaid Property Tax	\$ -	\$ 44,344
Preschool tuition received and not yet earned	-	5,975
Total Deferred Revenue	<u>\$ -</u>	<u>\$ 50,319</u>

NOTE 7: LONG-TERM DEBT

The School issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations of and are backed by, the full faith and credit of the School.

Long-term obligation activity can be summarized as follows:

	<u>Balance</u>			<u>Balance</u>	<u>Amount due</u>
	<u>July 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2007</u>	<u>Within One</u>
					<u>Year</u>
Governmental Activities					
Bonds	\$ 12,190,000	\$ -	\$ 755,000	\$ 11,435,000	\$ 795,000
Installment Loans	103,000	11,995	42,112	72,883	46,351
Other obligations	192,576	10,746	-	203,322	203,322
	<u>12,485,576</u>	<u>22,741</u>	<u>797,112</u>	<u>11,711,205</u>	<u>1,044,673</u>
Total governmental activities	<u>\$ 12,485,576</u>	<u>\$ 22,741</u>	<u>\$ 797,112</u>	<u>\$ 11,711,205</u>	<u>\$ 1,044,673</u>

SAUGATUCK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 7: LONG-TERM DEBT (CONTINUED)

Annual debt service requirements to maturity for the above governmental bond obligations are as follows:

	Governmental Activities		
	Principal	Interest	Total
2008	\$ 795,000	\$ 471,937	\$ 1,266,937
2009	850,000	440,140	1,290,140
2010	485,000	405,253	890,253
2011	505,000	387,552	892,552
2012	525,000	368,453	893,453
2013-2017	2,975,000	1,486,925	4,461,925
2018-2022	3,650,000	806,975	4,456,975
2023-2027	1,650,000	103,127	1,753,127
Thereafter	-	-	-
Total	<u>\$ 11,435,000</u>	<u>\$ 4,470,362</u>	<u>\$ 15,905,362</u>

Governmental Activities

General Obligation bonds consist of the following:

2006 Building and Site Bonds consisting of serial bonds due in annual installments of \$ 365,000 to \$ 395,000 through 2009 with interest at 4%.	\$ 760,000
2005 Refunding Bonds consisting of serial bonds due in annual installments of \$ 195,000 to \$ 835,000 through 2024; interest at 3.5% to 4.5%.	8,935,000
2002 Refunding Bonds consisting of serial bonds due in annual installments of \$ 280,000 to \$ 315,000 through 2012; interest at 3.45% to 4.0%.	1,445,000
1999 General Obligation Bonds consisting of serial bonds due in annual installments of \$ 135,000 to \$ 160,000 through 2009 with interest at 5.2%.	<u>295,000</u>
Total bonded debt	<u><u>\$ 11,435,000</u></u>

Total interest paid on the long-term debt for the year ended June 30, 2007 was \$ 498,340.

**SAUGATUCK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 8: RISK MANAGEMENT

The School is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. These risks were managed through the purchase of commercial insurance coverage.

NOTE 9: DEFINED BENEFIT PENSION PLAN AND POST RETIREMENT BENEFITS

Plan Description

The School participates in the Michigan Public School Employees' Retirement System (MPERS), a statewide, cost-sharing, multiple-employer defined benefit public employer retirement system governed by the State of Michigan that covers substantially all employees of the School. The system provides retirement, survivor, and disability benefits to plan members and their beneficiaries. The Michigan Public School Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the system.

Funding Policy

Employer contributions to the system result from the implementing effects of the School Finance Reform Act. Under these procedures, each school district is required to contribute the full actuarial funding contribution amount to fund pension benefits, plus an additional amount to fund retiree health care benefit amounts on a cash disbursement basis.

The pension benefit rate totals 16.34 percent for the period from July 1, 2006 through September 30, 2006 and 17.74 percent for the period from October 1, 2006 through June 30, 2007 of the covered payroll to the plan. Basic plan members make no contributions, but Member Investment Plan members contribute at rates ranging from 3 percent to 4.3 percent of gross wages.

Covered payroll and required contributions for the last three years were as follows:

	<u>Payroll</u>	<u>Contribution</u>	<u>Contribution Paid</u>
June 30, 2007	\$ 4,466,701	\$ 777,293	100%
June 30, 2006	4,548,821	727,987	100%
June 30, 2005	4,273,901	619,188	100%

**SAUGATUCK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 9: DEFINED BENEFIT PENSION PLAN AND POST RETIREMENT BENEFITS (CONTINUED)

Post Employment Benefits

Under the MPSERS Act, retirees and their beneficiaries are entitled to receive comprehensive group medical, dental and vision coverage. A portion of the premium is borne by MPSERS with the remaining amount deducted out of pension benefits provided to retirees and beneficiaries. A retiree is entitled to receive coverage six months after application is made. The funding for the insurance is provided through contributions to the MPSERS as part of the overall pension plan contributions which are determined based upon a percentage of covered payroll as described previously. The School was required to contribute a total of 16.34% of covered payroll for the period beginning July 1, 2006 and ending September 30, 2006 and 17.74% for the period beginning October 1, 2006 through the end of the fiscal year. Of this amount, 6.55% and 6.55% was to fund retiree health insurance benefits, with the remaining 9.79% and 11.19% funding retirement benefits for the three month and nine month periods mentioned above, respectively.

The MPSERS comprehensive annual financial report for the year ended September 30, 2006 stated that total post-employment assets for the year ended September 30, 2006 were \$ 791,800,195, liabilities were \$ 161,586,171 and total benefits paid during the year were \$ 634,811,847. A copy of the MPSERS report may be obtained by writing to the Office of Retirement Services, Michigan Public School Employees' Retirement System, P.O. Box 30171, Lansing, Michigan 48909-7671, by calling (800)381-5111, or by visiting the following website: www.michigan.gov/ors.

NOTE 10: SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Litigation

In the normal course of its activities, the School becomes a party to various legal actions. Management of the School is of the opinion that the outcome of such actions will not have a material effect on the financial position of the School and, therefore, has not reflected loss reserves in the financial statements.

The School also has an indirect interest in various litigation involving the assessed value of property within its District for which no liability has been recorded, since the outcome of any litigation is expected to be immaterial.

Contingent Liabilities

The School participates in a number of federally assisted grant programs, principal of which are the Title I and National School Lunch programs. These programs are subject to program compliance audits on a random basis. No audits of these programs for the current year have been conducted.

SAUGATUCK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 11: RECLASSIFICATION

Certain amounts shown for June 30, 2006 have been reclassified to conform to the June 30, 2007 presentation in order to provide a more meaningful basis for comparison.

NOTE 12: CAFETERIA PLAN

Effective January 1, 1996, the School adopted a cafeteria plan described in Internal Revenue Code Sec. 125. The plan allows for certain employee choices between taxable and non-taxable benefits.

NOTE 13: SINKING FUNDS

Sinking fund activity is reflected in the 2007 and 2006 Capital Projects Funds on the financial statements. For the year ended June 30, 2007, the School has complied with the applicable provisions of section 1212(1) of the Revised School Code and the applicable section of the Revised Bulletin for School District Audits of Bonded Construction Funds and of Sinking Funds in Michigan.

NOTE 14: 2005 REFUNDING BONDS

On February 14, 2005 and May 23, 2005, the Board of Education of Saugatuck Public Schools authorized the issuance of \$9,035,000 in refunding bonds for the purpose of providing proceeds to place funds into escrow in a sufficient amount to pay the principal, interest, and redemption premium on a portion of the 1999 bond issue. The refunding bonds have been and will be utilized to provide for the payment of interest on May 1 and November 1 in each year from November 1, 2005 through May 2, 2009, and for the call for redemption on May 1, 2009 of the entire outstanding principal amount. The new 2005 refunding bonds were issued June 15, 2005 and are payable from ad valorem taxes. This bond issue is comprised of serial bonds maturing May 1, 2006 and May 1, 2010 through May 1, 2024.

The issuance of the 2005 refunding bonds generated a sum total of \$9,602,848 as reflected below.

Par value of bonds	\$9,035,000
Reoffering premium	117,848
Transfer from debt service funds	<u>450,000</u>
Total	<u><u>\$9,602,848</u></u>

The proceeds from the 2005 refunding bonds were utilized as follows:

Deposit in current refunding fund	\$9,486,497
Underwriter's discount	31,713
Cost of Issuance	<u>84,638</u>
Total	<u><u>\$9,602,848</u></u>

SAUGATUCK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007

NOTE 14: 2005 REFUNDING BONDS (CONTINUED)

The escrow agent will continue to pay the principal on the 1999 serial bonds maturing November 1, 2005 through May 1, 2009.

At the time of the bond refunding transaction, the difference in the total cash flow requirements (including cost of refunding) required by the 2005 Refunding Issue and the cash flow requirements necessary to service the old debt was as follows:

Cash Flow Requirements of Refunded 1999 Bonds	\$16,393,160
Cash Flow Requirements of New 2005 Bonds (includes cost of refunding)	<u>14,086,665</u>
Excess of Cash Flow Requirements of Old Bonds Over Cash Flow Requirements of New Bonds	<u>\$ 2,306,495</u>

The economic gain realized because of the bond refunding transaction was \$ 1,351,574.

NOTE 15: OTHER LONG-TERM LIABILITIES

Other long-term liabilities consist of the following:

Loan Payable to Chemical Bank is secured by a bus and is payable in the amount of \$17,667 annually which includes interest at 3.79%. The loan matures in November 2008.	\$ 37,761
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Loan Payable to Chemical Bank is secured by equipment and is payable in the amount of \$25,000 annually which includes interest at 3.49%. The loan matures in August 2007.	25,000
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Capital lease payable to A.B. Dick Company, Inc. is secured by equipment and is payable in the amount of \$430 per month and includes interest at 17.4%. The lease includes a \$1 bargain purchase option which can be exercised at the conclusion of the lease in November 2009.	10,122
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Compensated Absences	163,322
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Early Retirement Payments	<u>40,000</u>
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Totals	276,205
Current Portion	<u>249,673</u>

Other Long-Term Liabilities	<u>\$ 26,532</u>
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**SAUGATUCK PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007**

NOTE 15: OTHER LONG-TERM LIABILITIES (CONTINUED)

Maturities on other long-term liabilities are as follows:

<u>Year Ended June 30,</u>	
2008	\$ 249,673
2009	24,472
2010	2,060
2011	-
2012	-

NOTE 16: SUBSEQUENT EVENTS AND COMMITMENTS

The School has proposed a bond issue of \$11.9 million to fund new classrooms, classroom renovations, improvements to the athletic facilities and to purchase two parcels adjacent to the elementary school for the relocation of the baseball field. The proposed issue requires voter approval.

REQUIRED SUPPLEMENTAL INFORMATION

**SAUGATUCK PUBLIC SCHOOLS
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED JUNE 30, 2007**

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Over (Under) Final <u>Budget</u>
REVENUES				
Local Sources	\$ 4,636,000	\$ 4,719,288	\$ 4,722,848	\$ 3,560
State Sources	2,701,500	2,835,994	2,907,114	71,120
Federal Sources	293,888	294,416	294,724	308
Interdistrict and Other Sources	428,800	495,387	498,914	3,527
Total Revenues	<u>8,060,188</u>	<u>8,345,085</u>	<u>8,423,600</u>	<u>78,515</u>
EXPENDITURES - Current				
Instruction:				
Basic Programs	4,083,372	4,191,337	4,155,185	(36,152)
Added Needs	649,423	723,474	714,104	(9,370)
Support Services:				
Pupil	456,553	485,146	488,300	3,154
Instructional Staff	354,920	391,750	384,992	(6,758)
General Administration	311,221	338,604	324,651	(13,953)
School Administration	443,290	451,123	447,007	(4,116)
Business Operations and Maintenance	1,256,125	1,314,182	1,299,590	(14,592)
Payments on Long-Term Liabilities	111,475	46,925	44,412	(2,513)
Capital Outlay	78,625	120,811	136,386	15,575
Total Expenditures	<u>7,745,004</u>	<u>8,063,352</u>	<u>7,994,627</u>	<u>(68,725)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>315,184</u>	<u>281,733</u>	<u>428,973</u>	<u>147,240</u>
OTHER FINANCING SOURCES (USES)				
Borrowings on Long-Term Liabilities	-	-	-	-
Operating Transfers	(337,180)	(238,151)	(240,450)	2,299
Payments to Other Governmental Units	-	-	-	-
Total Other Financing Sources (Uses)	<u>(337,180)</u>	<u>(238,151)</u>	<u>(240,450)</u>	<u>2,299</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(21,996)</u>	<u>43,582</u>	<u>188,523</u>	<u>144,941</u>
FUND BALANCE - JULY 1, 2006	<u>1,354,936</u>	<u>1,354,936</u>	<u>1,354,936</u>	<u>-</u>
FUND BALANCE - JUNE 30, 2007	<u>\$ 1,332,940</u>	<u>\$ 1,398,518</u>	<u>\$ 1,543,459</u>	<u>\$ 144,941</u>

OTHER SUPPLEMENTAL INFORMATION

**SAUGATUCK PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007**

	Non-Major Special Revenue Funds		
	<u>Food Service</u>	<u>Athletic</u>	<u>Community Recreation</u>
ASSETS			
Cash	\$ 101,763	\$ 19,519	\$ 108,585
Due from Other Funds	1,075	-	-
Due from Other Governmental Units	-	-	2,051
Inventories	4,542	-	-
TOTAL ASSETS	<u>\$ 107,380</u>	<u>\$ 19,519</u>	<u>\$ 110,636</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 3,907	\$ -	\$ -
Due to Other Funds	-	19,519	390
Total Liabilities	<u>3,907</u>	<u>19,519</u>	<u>390</u>
FUND BALANCES			
Reserved for Inventories	4,542	-	-
Unreserved Undesignated	98,931	-	110,246
Total Fund Balances	<u>103,473</u>	<u>-</u>	<u>110,246</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 107,380</u>	<u>\$ 19,519</u>	<u>\$ 110,636</u>

<u>Non-Major Capital Projects Funds</u>		<u>Total Non-Major Governmental Funds</u>
<u>2006 Capital Projects Fund</u>	<u>2005 Building & Site Fund</u>	
\$ 92,933	\$ 21,925	\$ 344,725
-	-	1,075
-	-	2,051
-	-	4,542
<hr/>		<hr/>
<u>\$ 92,933</u>	<u>\$ 21,925</u>	<u>\$ 352,393</u>

\$ -	\$ -	\$ 3,907
-	-	19,909
<hr/>		<hr/>
-	-	23,816
<hr/>		<hr/>

-	-	4,542
92,933	21,925	324,035
<hr/>		<hr/>
92,933	21,925	328,577
<hr/>		<hr/>
<u>\$ 92,933</u>	<u>\$ 21,925</u>	<u>\$ 352,393</u>

SAUGATUCK PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2007

	Non-Major Special Revenue Funds		
	<u>Food Service</u>	<u>Athletic</u>	<u>Community Recreation</u>
REVENUES			
Milk and Lunch Sales			
One Child, Type A and Special Milk	\$ 112,148	\$ -	\$ -
Adult Lunch, Catering, Vending and Other	50,399	-	-
Admissions	-	30,281	40,706
Property Taxes	-	-	109,739
Investment Income	3,593	381	5,252
Local Sources	660	-	12,155
State Aid and At-Risk	19,531	-	-
Federal Aid	144,519	-	-
Total Revenues	330,850	30,662	167,852
EXPENDITURES			
Food Purchases	145,496	-	-
Labor	96,605	175,948	53,768
Purchased Services	9,621	19,484	25,481
Athletic Equipment			
Supplies and Fees	-	16,032	35,907
Materials, Supplies and Other	12,199	8,994	-
Capital Outlay & Construction	1,022	-	-
Employee Benefits and Payroll Taxes	51,028	50,654	27,041
Total Expenditures	315,971	271,112	142,197
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	14,879	(240,450)	25,655
OTHER FINANCING SOURCES (USES)			
Transfer from Other Funds	-	240,450	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	14,879	-	25,655
FUND BALANCES AT BEGINNING OF YEAR	88,594	-	84,591
FUND BALANCES AT END OF YEAR	\$ 103,473	\$ -	\$ 110,246

Non-Major Capital Projects Funds		Total Non-Major Governmental Funds
2006 Capital Projects Fund	2005 Building & Site Fund	
\$ -	\$ -	\$ 112,148
-	-	50,399
-	-	70,987
-	28,537	138,276
11,255	2,957	23,438
-	-	12,815
-	-	19,531
-	-	144,519
11,255	31,494	572,113
-	-	145,496
-	-	326,321
23,049	-	77,635
-	-	51,939
-	-	21,193
955,532	180,155	1,136,709
-	-	128,723
978,581	180,155	1,888,016
(967,326)	(148,661)	(1,315,903)
-	-	240,450
(967,326)	(148,661)	(1,075,453)
1,060,259	170,586	1,404,030
\$ 92,933	\$ 21,925	\$ 328,577

**SAUGATUCK PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2007**

	<u>Final</u> <u>Budget</u>	<u>Actual</u> <u>2007</u>	<u>Over (Under)</u> <u>Budget</u>	<u>Actual</u> <u>2006</u>
REVENUES				
Local Sources				
Property Taxes	\$ 4,500,634	\$ 4,480,433	\$ (20,201)	\$ 4,023,038
Income from Investments	82,500	89,938	7,438	62,657
Tuition	86,592	85,764	(828)	74,003
Rent of School Facilities	500	339	(161)	7,793
Miscellaneous	3,439	4,602	1,163	4,900
Contributions and Grants	45,623	61,772	16,149	-
Totals	4,719,288	4,722,848	3,560	4,172,391
State Sources				
State Aid	2,594,492	2,665,611	71,119	2,878,820
Bus Driver Training	-	-	-	471
Special Education	230,874	230,874	-	148,603
EDP Career Prep Grant	-	-	-	2,534
Health & Wellness Grant	1,600	1,600	-	1,213
MS Math Grant	9,028	9,029	1	-
Totals	2,835,994	2,907,114	71,120	3,031,641
Federal Sources				
Homeland Security Grant	1,372	1,372	-	9,362
Title I	104,301	104,301	-	97,842
Title II-A	25,254	25,254	-	25,158
Title V	584	584	-	344
Title VI	1,071	1,071	-	1,825
IDEA Grant	157,818	157,818	-	178,828
Drug Free Schools	2,313	2,313	-	2,688
Medicaid Medbill	1,703	2,011	308	1,041
Totals	294,416	294,724	308	317,088
Other School Districts and Other Sources				
Intermediate District and Other Districts				
Special Education -				
Instruction and Support Services	495,387	498,914	3,527	428,562
TOTAL REVENUES	8,345,085	8,423,600	78,515	7,949,682

**SAUGATUCK PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2007**

	<u>Final</u> <u>Budget</u>	<u>Actual</u> <u>2007</u>	<u>Over (Under)</u> <u>Budget</u>	<u>Actual</u> <u>2006</u>
EXPENDITURES				
Instruction - Basic Program				
Pre-Kindergarten				
Teaching Salaries	\$ 30,100	\$ 30,033	\$ (67)	\$ 32,608
Substitutes and Aides	11,223	11,091	(132)	12,606
Purchased Services	270	-	(270)	43
Teaching Supplies	1,500	690	(810)	1,585
Miscellaneous	100	100	-	-
Fringe Benefits and Payroll Taxes	11,441	10,410	(1,031)	10,987
Elementary				
Teaching Salaries	1,210,260	1,211,088	828	1,170,215
Substitutes and Aides	43,000	41,545	(1,455)	56,986
Purchased Services	15,500	12,494	(3,006)	9,426
Teaching Supplies	18,300	17,648	(652)	15,628
Textbooks	14,900	14,900	-	11,623
Maintenance and Repairs	400	260	(140)	-
Rental of Equipment	8,500	8,989	489	-
Fringe Benefits and Payroll Taxes	626,724	624,245	(2,479)	535,456
Middle School				
Teaching Salaries	370,500	369,857	(643)	454,333
Substitutes and Aides	18,625	14,567	(4,058)	5,357
Purchased Services	19,250	9,897	(9,353)	293
Teaching Supplies	10,420	7,487	(2,933)	8,592
Textbooks	5,010	4,974	(36)	4,441
Maintenance and Repairs	200	-	(200)	90
Fringe Benefits and Payroll Taxes	191,585	188,354	(3,231)	210,576
High School				
Teaching Salaries	945,200	944,882	(318)	949,343
Substitutes and Aides	3,400	3,030	(370)	28,012
Purchased Services	56,050	52,589	(3,461)	36,274
Teaching Supplies	40,144	39,404	(740)	42,154
Textbooks	20,050	20,099	49	30,593
Miscellaneous	1,500	1,490	(10)	1,057
Maintenance and Repairs	3,740	3,734	(6)	1,580
Rental of Equipment	11,100	9,680	(1,420)	9,102
Fringe Benefits and Payroll Taxes	502,345	501,648	(697)	436,992
Totals	4,191,337	4,155,185	(36,152)	4,075,952

**SAUGATUCK PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2007**

	<u>Final</u> <u>Budget</u>	<u>Actual</u> <u>2007</u>	<u>Over (Under)</u> <u>Budget</u>	<u>Actual</u> <u>2006</u>
EXPENDITURES (CONTINUED)				
Instruction - Added Needs				
Special Education				
Salaries	\$ 320,936	\$ 319,553	\$ (1,383)	\$ 333,618
Purchased Services	8,952	8,860	(92)	3,869
Teaching Supplies	1,929	1,505	(424)	1,618
Textbooks	1,900	1,826	(74)	1,245
Services - Other Public Schools	89,000	86,358	(2,642)	-
Fringe Benefits and Payroll Taxes	166,903	162,383	(4,520)	151,065
Compensatory Education				
Teaching Salaries	84,480	84,312	(168)	78,613
Miscellaneous	6,071	5,903	(168)	2,176
Fringe Benefits and Payroll Taxes	43,303	43,404	101	24,187
Totals	723,474	714,104	(9,370)	596,391
TOTAL INSTRUCTION	4,914,811	4,869,289	(45,522)	4,672,343
Support Services - Pupil				
Guidance				
Director Salary	71,530	71,518	(12)	74,545
Counseling Salary	23,700	23,684	(16)	22,160
Secretarial Salaries	8,531	8,531	-	8,364
Travel	1,350	1,190	(160)	1,330
Dues and Fees	210	208	(2)	239
Office Supplies	900	897	(3)	500
Fringe Benefits and Payroll Taxes	36,702	36,863	161	36,818
Health Services				
Salaries	24,700	24,634	(66)	-
Purchased Services	11,730	11,719	(11)	-
Supplies	1,550	1,602	52	-
Dues and Fees	80	63	(17)	-
Fringe Benefits and Payroll Taxes	7,425	7,316	(109)	-
Psychological Services				
Purchased Services	36,500	40,628	4,128	46,969
Other Expenses	1,622	1,622	-	2,057
Speech Therapist				
Salaries	64,275	64,276	1	63,248
Other Expenses	330	262	(68)	389
Fringe Benefits and Payroll Taxes	30,322	29,992	(330)	27,521
Social Worker				
Salaries	54,878	54,878	-	54,029
Other Expenses	1,175	639	(536)	981
Fringe Benefits and Payroll Taxes	26,386	25,067	(1,319)	25,489
Other Pupil Services				
Extra-Curricular Activities - Salaries	54,192	54,957	765	102,038
SRC Coordinator	-	-	-	23,567

SAUGATUCK PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2007

	<u>Final</u> <u>Budget</u>	<u>Actual</u> <u>2007</u>	<u>Over (Under)</u> <u>Budget</u>	<u>Actual</u> <u>2006</u>
EXPENDITURES (CONTINUED)				
Support Services - Pupil (Continued)				
Other Pupil Services (Continued)				
Contracted Services	\$ 2,875	\$ 2,862	\$ (13)	\$ 6,406
Student Insurance	1,285	1,284	(1)	1,284
Supplies and Miscellaneous	8,563	9,077	514	18,556
Fringe Benefits and Payroll Taxes	14,335	14,531	196	45,513
Totals	485,146	488,300	3,154	562,003
Support Services - Instructional Staff				
Improvement of Instruction				
Salary	21,000	19,978	(1,022)	30,192
Travel and Workshops	19,700	19,523	(177)	18,227
Professional Development	25,254	25,254	-	25,158
In-Service	23,950	24,585	635	10,913
Miscellaneous	2,897	2,899	2	4,858
Fringe Benefits and Payroll Taxes	5,256	4,968	(288)	6,581
Library				
Librarian Salaries	36,784	36,741	(43)	121,684
Books	3,000	2,081	(919)	2,967
Periodicals	730	629	(101)	626
Audio-Visual Supplies	540	482	(58)	461
Online Services	1,300	1,074	(226)	-
Maintenance and Repairs	1,650	655	(995)	1,289
Supplies	1,010	845	(165)	608
Travel and Workshops	-	-	-	150
Dues	100	100	-	167
Fringe Benefits and Payroll Taxes	10,270	10,112	(158)	54,614
Learning				
Salary	60,433	60,433	-	-
Testing Supplies & Materials	7,000	5,484	(1,516)	-
Travel	500	326	(174)	-
Miscellaneous	700	433	(267)	-
Fringe Benefits and Payroll Taxes	22,682	22,541	(141)	-
Other				
Technology Director Salary	57,630	57,630	-	55,574
Travel	100	-	(100)	-
Contracted Services	43,000	41,885	(1,115)	42,700
Repairs and Maintenance	10,000	10,104	104	9,944
Supplies	8,000	8,246	246	8,698
Fringe Benefits and Payroll Taxes	28,264	27,984	(280)	27,144
Totals	391,750	384,992	(6,758)	422,555

SAUGATUCK PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2007

	<u>Final</u> <u>Budget</u>	<u>Actual</u> <u>2007</u>	<u>Over (Under)</u> <u>Budget</u>	<u>Actual</u> <u>2006</u>
EXPENDITURES (CONTINUED)				
Support Services - General Administration				
Board of Education				
Conferences - Board Meetings	\$ 1,500	\$ 1,197	\$ (303)	\$ 1,090
Legal	11,000	8,921	(2,079)	3,434
Audit	18,260	19,025	765	18,990
Travel and Workshops	500	-	(500)	326
Yearbook	360	720	360	-
Election Expense	8,000	4,114	(3,886)	15,363
Postage	1,300	538	(762)	1,056
Office Supplies	1,800	1,841	41	2,099
Dues and Fees	3,000	2,567	(433)	795
Miscellaneous	400	300	(100)	421
Contracted Services	22,000	20,919	(1,081)	5,586
Totals	68,120	60,142	(7,978)	49,160
Executive Administration				
Superintendent Salary	141,721	141,221	(500)	129,535
Travel Stipend	6,045	6,045	-	2,683
Executive Secretary Salary	41,492	41,492	-	39,983
Contracted Services	2,400	2,453	53	2,329
Travel and Workshops	5,500	5,598	98	7,839
Postage	1,400	592	(808)	1,011
Office Supplies	2,700	2,795	95	3,172
Dues and Fees	2,430	1,462	(968)	1,343
Fringe Benefits and Payroll Taxes	66,796	62,851	(3,945)	65,255
Totals	270,484	264,509	(5,975)	253,150
Support Services - School Administration				
Office of the Principal				
Salaries				
Principal	157,054	157,054	-	158,991
Secretarial	131,299	130,600	(699)	119,985
Travel and Workshops	2,250	1,656	(594)	1,948
Postage	6,450	5,965	(485)	5,503
Office Supplies	5,950	6,155	205	6,529
Advertising	2,163	2,336	173	2,530
Dues and Fees	980	1,011	31	1,249
Fringe Benefits and Payroll Taxes	144,977	142,230	(2,747)	133,969
Totals	451,123	447,007	(4,116)	430,704

**SAUGATUCK PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2007**

	<u>Final</u> <u>Budget</u>	<u>Actual</u> <u>2007</u>	<u>Over (Under)</u> <u>Budget</u>	<u>Actual</u> <u>2006</u>
EXPENDITURES (CONTINUED)				
Support Services - Business				
Fiscal Services				
Finance Director Salary	\$ 89,929	\$ 89,929	\$ -	\$ 81,846
Bookkeeper Salary	42,902	42,902	-	41,530
Postage	3,000	998	(2,002)	1,621
Unemployment Consultants	6,160	6,160	-	4,768
Travel and Workshops	4,100	3,941	(159)	4,220
Office Supplies	2,700	2,654	(46)	2,838
Dues & Fees	1,440	365	(1,075)	1,272
Insurance	35,336	35,336	-	39,574
Tax Collection Fees	15,844	15,844	-	14,774
Taxes Charged Back	27,000	26,631	(369)	25,346
Asset Appraisal	330	330	-	315
Bank Charges	800	677	(123)	829
Fringe Benefits and Payroll Taxes	63,733	62,413	(1,320)	57,439
Totals	293,274	288,180	(5,094)	276,372
Operation and Maintenance of Plant				
Salaries				
Supervisor	6,220	6,219	(1)	7,013
Custodial	70,460	69,784	(676)	76,656
Travel and Workshops	270	-	(270)	-
Telephone	9,900	10,351	451	16,507
Heating	94,500	90,094	(4,406)	96,735
Electricity	151,900	139,812	(12,088)	125,588
Water and Sewage	19,450	17,820	(1,630)	14,771
Refuse	5,300	5,244	(56)	4,054
Insurance	2,550	2,550	-	2,546
Contracted Services	257,500	267,266	9,766	226,049
Rental of Equipment	250	-	(250)	-
Maintenance and Repairs	-	-	-	534
Custodial Supplies	56,500	57,011	511	49,378
Homeland Security Grant	-	-	-	4,002
Fringe Benefits and Payroll Taxes	45,690	45,083	(607)	44,818
Totals	720,490	711,234	(9,256)	668,651
Pupil Transportation				
Salaries				
Supervisor	6,219	6,219	-	6,013
Bus Drivers	91,636	92,833	1,197	89,673
Secretary	4,026	4,026	-	3,947
Director of Fleet Maintenance	38,500	38,145	(355)	36,213

SAUGATUCK PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2007

	<u>Final</u> <u>Budget</u>	<u>Actual</u> <u>2007</u>	<u>Over (Under)</u> <u>Budget</u>	<u>Actual</u> <u>2006</u>
EXPENDITURES (CONTINUED)				
Support Services - Business (Continued)				
Pupil Transportation (Continued)				
Telephone	\$ 400	\$ 373	\$ (27)	\$ 1,007
Travel and Workshops	220	271	51	979
Drug/Alcohol Testing	600	579	(21)	523
Office Supplies	400	394	(6)	219
Interurban	500	-	(500)	896
Contracted Services	9,350	9,022	(328)	5,446
Insurance	6,292	6,292	-	6,263
Gas, Oil and Lubrication	23,800	24,432	632	29,147
Tires and Tubes	1,000	2,182	1,182	515
Parts for Buses	7,000	6,935	(65)	7,306
Other Supplies	1,100	826	(274)	950
Dues and Fees	1,000	758	(242)	1,077
Fringe Benefits and Payroll Taxes	46,942	44,946	(1,996)	43,277
Totals	238,985	238,233	(752)	233,451
Other				
Newsletter Stipend	6,845	6,845	-	6,600
Negotiations and Staff Relations	17,000	17,113	113	6,693
District Mail Services	350	385	35	304
Health Services	7,500	7,668	168	893
Public Relations	28,000	28,220	220	19,985
Fringe Benefits and Payroll Taxes	1,738	1,712	(26)	1,563
Totals	61,433	61,943	510	36,038
TOTAL SUPPORT SERVICES	2,980,805	2,944,540	(36,265)	2,932,084

**SAUGATUCK PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED JUNE 30, 2007**

	<u>Final Budget</u>	<u>Actual 2007</u>	<u>Over (Under) Budget</u>	<u>Actual 2006</u>
EXPENDITURES (CONTINUED)				
Capital Outlay				
Instruction				
New Equipment	\$ 17,493	\$ 25,460	\$ 7,967	\$ 2,377
Support Services				
New Equipment	103,318	110,926	7,608	118,294
Bus Purchases	-	-	-	83,046
Total Support Services Capital Outlay	103,318	110,926	7,608	201,340
TOTAL CAPITAL OUTLAY	120,811	136,386	15,575	203,717
Payments on Long-Term Liabilities	46,925	44,412	(2,513)	21,550
TOTAL EXPENDITURES	8,063,352	7,994,627	(68,725)	7,829,694
EXCESS OF REVENUES OVER EXPENDITURES	281,733	428,973	147,240	119,988
OTHER FINANCING SOURCES (USES)				
Borrowings on Long-Term Liabilities	-	-	-	103,000
Operating Transfers to Athletic Fund	(238,151)	(240,450)	2,299	(221,444)
Payments to Other Governmental Units	-	-	-	(101,984)
Total Other Financing Sources (Uses)	(238,151)	(240,450)	2,299	(220,428)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	43,582	188,523	144,941	(100,440)
FUND BALANCE AT BEGINNING OF YEAR	1,354,936	1,354,936	-	1,455,376
FUND BALANCE AT END OF YEAR	<u>\$ 1,398,518</u>	<u>\$ 1,543,459</u>	<u>\$ 144,941</u>	<u>\$ 1,354,936</u>

**SAUGATUCK PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
AGENCY FUNDS
SCHEDULE OF CHANGES IN AMOUNTS DUE TO (FROM) CLUBS
AND ORGANIZATIONS
YEAR ENDED JUNE 30, 2007**

	Due to (from) Clubs and Organizations July 1, <u>2006</u>	<u>Additions</u>	<u>Deductions</u>	Due to (from) Clubs and Organizations June 30, <u>2007</u>
Art	\$ 4,696	\$ 4,100	\$ 5,320	\$ 3,476
Art Department	571	2,324	2,289	606
Band	18	150	-	168
Drama	2,344	2,221	2,118	2,447
Drivers' Education	9,541	4,366	13,016	891
Class of 2007	5,584	29,370	34,954	-
Class of 2008	1,245	12,703	6,549	7,399
Class of 2009	553	6,975	4,561	2,967
Class of 2010	-	1,557	826	731
Elementary	45,960	43,097	49,619	39,438
Library	-	43	-	43
Middle School Yearbook	14	1,756	1,770	-
Field Trips	487	9,327	9,274	540
Rainforest	(427)	5,905	4,788	690
Yearbook and Newspaper	4,719	5,988	9,599	1,108
Miscellaneous	2,036	1,975	1,057	2,954
In and Out	(945)	20,946	17,920	2,081
Shop	1,328	5,663	6,991	-
Interest	1,738	1,883	1,733	1,888
Spanish Club	192	225	237	180
Sixth Grade Camp	6,249	8,807	12,039	3,017
Sixth Grade - LA	-	2,075	1,401	674
Middle School Student Council	1,227	1,200	1,340	1,087
Student Council Scholarship	1,918	-	500	1,418
Special Orders	1,087	3,358	2,843	1,602

**SAUGATUCK PUBLIC SCHOOLS
OTHER SUPPLEMENTAL INFORMATION
AGENCY FUNDS
SCHEDULE OF CHANGES IN AMOUNTS DUE TO (FROM) CLUBS
AND ORGANIZATIONS (CONTINUED)
YEAR ENDED JUNE 30, 2007**

	Due to (from) Clubs and Organization July 1, <u>2006</u>	<u>Additions</u>	<u>Deductions</u>	Due to (from) Clubs and Organizations June 30, <u>2007</u>
Student Council - Senior High	\$ 1,230	\$ 1,275	\$ 1,487	\$ 1,018
Materials Deposit	8,382	3,406	2,503	9,285
Indian Golf Classic	639	-	639	-
Logowear	1,733	6,915	5,747	2,901
AP Testing	-	2,349	2,276	73
Athletic Boosters	-	2,995	789	2,206
Athletic Fundraisers	10,505	43,776	41,920	12,361
Cheerleaders	837	-	837	-
Soccer	142	173	-	315
Scholarship Plaque	500	-	-	500
Track	1,645	4,877	4,184	2,338
Gym Rental	1,880	200	291	1,789
Pfizer Health Account	1,290	-	1,259	31
Prom Dress Exchange	681	500	499	682
Quiz Bowl	-	300	260	40
College Class Fees	-	12,443	12,443	-
Parking Lot	5,373	36,970	31,291	11,052
Vernon Christopher Memorial	1,426	-	-	1,426
Cross Country	6,764	9,072	14,366	1,470
Youth in Government	1,441	7,776	8,840	377
Totals	\$ 134,603	\$ 309,041	\$ 320,375	\$ 123,269